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APPLICATION NO.	FILING DATE	FIRST NAMED INVENTOR	ATTORNEY DOCKET NO.	CONFIRMATION NO.
10/056,181	01/24/2002	Steven B. Daum	1814-0004	9464

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Norton & Diehl LLC  
77 Brant Ave  
STE 110  
Clark, NJ 07066

EXAMINER
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RUHL, DENNIS WILLIAM

ART UNIT	PAPER NUMBER
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3629

DATE MAILED: 07/22/2005

Please find below and/or attached an Office communication concerning this application or proceeding.

## Office Action Summary

Application No.

10/056,181

Applicant(s)

DAUM, STEVEN B.

Examiner

Dennis Ruhl

Art Unit

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-- The MAILING DATE of this communication appears on the cover sheet with the correspondence address --

### Period for Reply

A SHORTENED STATUTORY PERIOD FOR REPLY IS SET TO EXPIRE 3 MONTH(S) FROM THE MAILING DATE OF THIS COMMUNICATION.

- Extensions of time may be available under the provisions of 37 CFR 1.136(a). In no event, however, may a reply be timely filed after SIX (6) MONTHS from the mailing date of this communication.
- If the period for reply specified above is less than thirty (30) days, a reply within the statutory minimum of thirty (30) days will be considered timely.
- If NO period for reply is specified above, the maximum statutory period will apply and will expire SIX (6) MONTHS from the mailing date of this communication.
- Failure to reply within the set or extended period for reply will, by statute, cause the application to become ABANDONED (35 U.S.C. § 133). Any reply received by the Office later than three months after the mailing date of this communication, even if timely filed, may reduce any earned patent term adjustment. See 37 CFR 1.704(b).

### Status

- 1) ☒ Responsive to communication(s) filed on 15 May 2005.
- 2a) ☒ This action is **FINAL**. 2b) ☐ This action is non-final.
- 3) ☐ Since this application is in condition for allowance except for formal matters, prosecution as to the merits is closed in accordance with the practice under *Ex parte Quayle*, 1935 C.D. 11, 453 O.G. 213.

### Disposition of Claims

- 4) ☒ Claim(s) 1-9 and 13-21 is/are pending in the application.
- 4a) Of the above claim(s) \_\_\_\_\_ is/are withdrawn from consideration.
- 5) ☐ Claim(s) \_\_\_\_\_ is/are allowed.
- 6) ☒ Claim(s) 1-9, 13-21 is/are rejected.
- 7) ☐ Claim(s) \_\_\_\_\_ is/are objected to.
- 8) ☐ Claim(s) \_\_\_\_\_ are subject to restriction and/or election requirement.

### Application Papers

- 9) ☐ The specification is objected to by the Examiner.
- 10) ☐ The drawing(s) filed on \_\_\_\_\_ is/are: a) ☐ accepted or b) ☐ objected to by the Examiner.  
Applicant may not request that any objection to the drawing(s) be held in abeyance. See 37 CFR 1.85(a).  
Replacement drawing sheet(s) including the correction is required if the drawing(s) is objected to. See 37 CFR 1.121(d).
- 11) ☐ The oath or declaration is objected to by the Examiner. Note the attached Office Action or form PTO-152.

### Priority under 35 U.S.C. § 119

- 12) ☐ Acknowledgment is made of a claim for foreign priority under 35 U.S.C. § 119(a)-(d) or (f).
- a) ☐ All b) ☐ Some \* c) ☐ None of:
- ☐ Certified copies of the priority documents have been received.
  - ☐ Certified copies of the priority documents have been received in Application No. \_\_\_\_\_.
  - ☐ Copies of the certified copies of the priority documents have been received in this National Stage application from the International Bureau (PCT Rule 17.2(a)).

\* See the attached detailed Office action for a list of the certified copies not received.

### Attachment(s)

- |  |   |
|--|---|
| 1) <input type="checkbox"/> Notice of References Cited (PTO-892)   | 4) <input type="checkbox"/> Interview Summary (PTO-413)<br>Paper No(s)/Mail Date. _____ |
| 2) <input type="checkbox"/> Notice of Draftsperson's Patent Drawing Review (PTO-948)                                   | 5) <input type="checkbox"/> Notice of Informal Patent Application (PTO-152)             |
| 3) <input type="checkbox"/> Information Disclosure Statement(s) (PTO-1449 or PTO/SB/08)<br>Paper No(s)/Mail Date _____ | 6) <input type="checkbox"/> Other: _____  |

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Applicant's response of 5/16/05 has been entered. Currently claims 1-9, 13-21 are pending. The examiner will address applicant's arguments at the end of this office action.

1. 35 U.S.C. 101 reads as follows:

Whoever invents or discovers any new and useful process, machine, manufacture, or composition of matter, or any new and useful improvement thereof, may obtain a patent therefor, subject to the conditions and requirements of this title.

2. Claims 1-9,13, are rejected under 35 USC 101 because the claimed invention is directed to non-statutory subject matter.

The basis of this rejection is set forth in a two prong test of:

1. Whether the invention is within the technological arts; and
2. Whether the invention produces a useful, concrete, and tangible result.

For a claimed invention to be statutory, the claimed invention must be within the technological arts. Mere idea in the abstract (i.e. abstract ideas, law of nature, natural phenomena) that do not apply, involve, use, or advance the technological arts fail to promote the "progress of science and the useful arts" (i.e. physical sciences as opposed to social sciences for example), and therefore are found to be non-statutory subject matter. For a process claim to pass muster, the recited process must somehow apply, use or advance the technological arts.

In the present case the recited steps of receiving a request for a reservation through a reservation system and using a processor to deduct values from use allocations does not apply, involve, use, or advance the technological arts since all but

one step can be done with no technology at all and the one recited step of using a processor to deduct a value from another is considered to be a trivial use of a processor such as a hand held calculator or any other type of calculation device (even a purely mechanical calculation device). The recited step of "through a reservation system" can be the use of a telephone in making a reservation with a real live person on the other end such as a reservation specialist. The use of a processor to deduct values from other values does not specify that the processor is even electronic and allows for the processor to be a mechanical device, such as very old prior art calculators (i.e. a device that has a plurality of cylindrical rods that have beads slideably engaged on the cylindrical rods, where each set of beads represents a particular denomination and moving the beads up and down on respective rods either to the top or bottom of the rod represents a number). The claimed term "processor" is so broad that the scope is not limited to structure that would be considered as falling into the technological arts. Additionally simply using a processor to perform a mathematical subtraction is just a trivial use of technology. The resulting number is not even used in any manner in the method, it is just stated that numbers are subtracted from other numbers with no further use of the results. The examiner equates this with the non-statutory step of simply displaying the result of an algorithm. That would not be considered as a statutory post-manipulative step under 35 USC 101. In this case applicant is not even claiming that the number is displayed or even stored so all that is recited is a mathematical subtraction. With respect to the limitation of "stored in a memory" this is also a broad term that can be the memory of a person or simply numbers stored on paper. Paper

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with data is a form of memory. The examiner has given the claim terms their broadest reasonable interpretation and is not reading limitations from the disclosure into the claims for the statutory claim analysis. The examiner concludes the claims to be non-statutory for the above reasons.

3. The following is a quotation of the appropriate paragraphs of 35 U.S.C. 102 that form the basis for the rejections under this section made in this Office action:

A person shall be entitled to a patent unless –

(b) the invention was patented or described in a printed publication in this or a foreign country or in public use or on sale in this country, more than one year prior to the date of application for patent in the United States.

4. Claims 14-21 are rejected under 35 U.S.C. 102(b) as being anticipated by a “personal computer” such as is commonly used in consumer homes and businesses.

For claims 14-21, a personal computer inherently has a memory and a processing circuit as claimed. The memory stores data and is fully capable of storing a first and second use allocation (which are really just numbers). The language defining the fact that the memory is storing the use allocation for a fractional owner is considered to be non-functional descriptive material that does not serve as a limitation. *In re Gulack*, 217 USPQ 401 (CAFC 1983). Patentable weight will not be given to recitations directed to the *kind of data* a memory stores, unless the data is somehow functionally related to the article itself. The processor and circuitry of a personal computer are fully operable to subtract numbers as claimed and can store values as claimed. This is what

a computer does, store data and performs arithmetic calculations. The language defining that the values being deducted are based on participation on a flight (or that the stored values are based on a fractional owner) do not define anything more than just deducting a number from another number (value). The variable that the deducted number represents is taken as another example of non-functional descriptive material. A number is a number and deducting a number from a value is nothing more than elementary level arithmetic. Claim 14 is reciting nothing more than a personal computer and is anticipated by a personal computer.

5. The following is a quotation of 35 U.S.C. 103(a) which forms the basis for all obviousness rejections set forth in this Office action:

(a) A patent may not be obtained though the invention is not identically disclosed or described as set forth in section 102 of this title, if the differences between the subject matter sought to be patented and the prior art are such that the subject matter as a whole would have been obvious at the time the invention was made to a person having ordinary skill in the art to which said subject matter pertains. Patentability shall not be negated by the manner in which the invention was made.

6. Claims 1-9,13, are rejected under 35 U.S.C. 103(a) as being unpatentable over "The fractional jet set" article (4/27/98).

For claims 1,8,9,13, the article sets forth the concept known as fractional aircraft ownership. This is basically where multiple owners pool their funds to purchase a fleet of aircraft, with each owner owning a share that has an associated number of flight hours allowable (based on the size of the share). The size of your ownership share determines how many flight hours you are allowed each year. When an owner desires

to go somewhere, they put in a request for a plane and as long as you have hours (use allocation) available to deduct from, you can take your trip on an available aircraft. The use of a plane takes hours away from your total allowable hours. The use of a reservation system as claimed is considered inherent because the request for the flight must be made by using some manner of communication, such as a telephone.

Because it is disclosed that reservations or requests for flights are taken, it is inherent that there is some kind of reservation system. The reference does not disclose the use of a processor as claimed; however, because the reference discloses that flight hours are deducted from a total number of hours available for a given fractional owner, one of ordinary skill in the art would have found it obvious to use a processor to perform the use allocation deduction (math subtraction). While a person could mentally subtract one number from another, one of ordinary skill in the art would have found the use of a processor (such as a calculator or a computer) obvious to ensure that the math calculation has the correct result. Not specifically disclosed is that two owners can make a request to fly to the same destination on the same day; however this limitation is directed to a situation that is fully capable of occurring in the prior art. This step all depends on the users of the system. It would have been obvious to one of ordinary skill in the art at the time the invention was made that in the event two passengers (associated with a 1<sup>st</sup> and 2<sup>nd</sup> fractional owner) want to take a trip to the same destination at the same time, they can share the cost of the flight by having a first value of the hours come from the 1<sup>st</sup> fractional owner, and a 2<sup>nd</sup> value of the hours coming from the 2<sup>nd</sup> fractional owner. This claim is more or less claiming the sharing of the cost

of the flight by more than one person, which is considered obvious, just like sharing the cost of dinner on a date or sharing the cost of gas for a car ride. The concept of cost sharing is very old and well known in the art.

For claim 2, the examiner considers it inherent that the reservation request will identify a group of passengers (i.e. what company do they come from?).

For claim 3, the amount deducted is claimed as being based on the number of passengers. For example, in the above 103 rejection, two people are flying and each can pay  $\frac{1}{2}$ . The amount is based on the number of passengers.

Additionally for claim 3, it would have been obvious to one of ordinary skill in the art at the time the invention was made to have the cost for the flight be determined by your share of the use of the flight. If company A has one person flying and company B has 10 people flying, the cost can be divided up by 11 parts (11 passengers total) and each person will pay their fair share. Having each person pay their fair share for whatever it is (dinner, gas, etc.) is old and well known.

For claim 4, the article discloses that hours are used for the flights, where the length of flight determines how many hours you are charged for. Claim 4 is reciting exactly what a fractional ownership program does you get X amount of hours to fly and each your flown comes out of your total hours usable).

For claims 5,7, when a person becomes an owner, they are given their share of hours that their share corresponds to. The hours must be given before they can be used. For example, the article discloses that a  $\frac{1}{16}$ <sup>th</sup> share equals 50 hours of flight time, so if you sign up for a  $\frac{1}{16}$ <sup>th</sup> share, you get 50 hours.



For claim 6, the recite fee can be interpreted to be the one time acquisition fee required to be in the fractional ownership program, the monthly fee that covers operating expenses/maintenance, or the hourly fee for catering, taxes, etc.. The article discloses the collection of more than one fee.

7. Applicant's arguments filed 5/16/05 have been fully considered but they are not persuasive.

With respect to the 101 rejection, although applicant has amended the claims, the language used in the claims is so broad that the examiner does not feel that the claims are within the technological arts and has concluded them to be non-statutory. The method as claimed can still be performed verbally by a receptionist using a phone to take an order, looking up on paper a use allocation number, and using a hand held calculator to subtract one number from another. This is not considered to be within the technological arts and at best would be a trivial use of technology (the processor) to perform a math calculation. The argument is non-persuasive and the rejection will be maintained.

Concerning the 102(b) rejection in view of a personal computer the argument is non-persuasive. With respect to printed matter versus data stored on a memory, they are a difference with no actual distinction. Printed matter is data stored on paper and data stored in memory is an equivalent. The memory is claimed as simply storing a number, nothing more. The number stored is clearly not related to the computer itself and is non-functional descriptive material. With respect to the language "a processing

circuit, couple to the memory, operable to .....", this is just claiming that the processor is capable of subtracting one number from another. What the numbers represent is descriptive data about the numbers and lends no further structure to the claimed apparatus. A personal computer stores data such as numbers, and has a processor that is inherently fully capable of subtracting one number from another number, where both were stored in the memory of the computer. The fact that the numbers represent use allocations for fractional owners imparts no structure to the invention other than the ability to store numbers, which personal computers have the ability to do. The rejection will be maintained.

Concerning the 103 rejection, the arguments are non-persuasive. With respect to the article not teaching that two people make a request for the same flight, although not specifically disclosed, this feature is inherently part of the disclosure of the article. Nothing in the article states this is not possible and this limitation is directed to what the user requests or desires. A recitation directed to what the user requests in and of itself is not a patentably distinguishing feature, especially when the prior art is fully capable of having what has been claimed occur. This step all depends on what the user request. A user of the fractional ownership program of the article is fully capable of making a request for a flight that another has also requested. If one were to claim a method of renting out videos at a video rental store and one were to claim that a customer requests to rent every "drama" in stock, the examiner takes the position that the prior art would not need to teach this feature because one of ordinary skill in the art would clearly understand that this situation is possible and depends on what the customer

does. With respect to the deducting of use allocation values as claimed applicant has only stated "the article fails to teach or suggest.... on the same aircraft" and the examiner takes this as just an allegation of patentability and is not addressing the reasoning behind the 103 rejection. Why is the examiner incorrect in stating that the sharing of the cost of the flight would have been obvious, just like the sharing of the cost for dinner or the sharing of the cost for gas for a car trip? Applicant has not addressed the obviousness statement by the examiner except for stating that the reference does not disclose or suggest the feature. The examiner admitted as much in the 103 rejection because it is stated that this feature is obvious, not anticipated. It seems that applicant is basing the patentability of the claims solely on the fact that the article does not set forth that two persons can request to be on the same flight. This argument is non-persuasive.

Additionally, with respect to the position of the examiner about cost sharing in dinners and car rides, the examiner wanted to make applicant aware of Section 61.113 of the Federal Aviation Regulations concerning private pilots. Section 61.113( c) specifically sets forth that cost sharing by a private pilot is allowable, as long as the pilot does not pay less than the pro rata share of the expenses (i.e. 50/50), which would then require a commercial certificate because that would constitute a "for hire" flight not allowed by a person with just a private pilot certificate. The concept of sharing the cost for a plane ride is already recognized by the FAA and has been in affect for many years. The examiner makes this statement just as a showing that cost sharing in aviation is known in the prior art.

The examiner takes notice that none of the dependent claims 2-9,13,15-21 have had arguments presented. The examiner takes the lack of an argument for these claims (other than the independent claim argument) to be applicant's acquiescence that if the independent claims are rejected properly, the dependent claims are also rejected properly.

8. **THIS ACTION IS MADE FINAL.** Applicant is reminded of the extension of time policy as set forth in 37 CFR 1.136(a).

A shortened statutory period for reply to this final action is set to expire **THREE MONTHS** from the mailing date of this action. In the event a first reply is filed within **TWO MONTHS** of the mailing date of this final action and the advisory action is not mailed until after the end of the **THREE-MONTH** shortened statutory period, then the shortened statutory period will expire on the date the advisory action is mailed, and any extension fee pursuant to 37 CFR 1.136(a) will be calculated from the mailing date of the advisory action. In no event, however, will the statutory period for reply expire later than **SIX MONTHS** from the mailing date of this final action.

9. Any inquiry concerning this communication or earlier communications from the examiner should be directed to Dennis Ruhl whose telephone number is 703-308-2262. The examiner can normally be reached on Monday through Friday.

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If attempts to reach the examiner by telephone are unsuccessful, the examiner's supervisor, John Weiss can be reached on 703-308-2702. The fax phone number for the organization where this application or proceeding is assigned is 703-872-9306.

Information regarding the status of an application may be obtained from the Patent Application Information Retrieval (PAIR) system. Status information for published applications may be obtained from either Private PAIR or Public PAIR. Status information for unpublished applications is available through Private PAIR only. For more information about the PAIR system, see <http://pair-direct.uspto.gov>. Should you have questions on access to the Private PAIR system, contact the Electronic Business Center (EBC) at 866-217-9197 (toll-free).



**DENNIS RUHL**  
**PRIMARY EXAMINER**